

**Central Michigan University
Public Broadcasting Network**

**Consolidated Financial Report
with Other Supplementary Information
June 30, 2023**

Central Michigan University Public Broadcasting Network

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Independent Auditor's Report

To the Board of Trustees
Central Michigan University Public
Broadcasting Network
c/o Central Michigan University

Opinion

We have audited the consolidated financial statements of Central Michigan University Public Broadcasting Network (the "Network"), a department of Central Michigan University (the "University"), as of and for the years ended June 30, 2023 and 2022 and the related notes to the consolidated financial statements, which collectively comprise the Network's basic consolidated financial statements, as listed in the table of contents.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the financial position of Central Michigan University Public Broadcasting Network as of June 30, 2023 and 2022 and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Delta College WUCX-FM, which represents 2.62 percent, 0.56 percent, and 6.09 percent of the assets, net position, and revenue, respectively, of the Network. Those financial statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Delta College WUCX-FM, is based solely on the report of the other auditors.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Consolidated Financial Statements* section of our report. We are required to be independent of the Network and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

We draw attention to Note 1, which explains that these consolidated financial statements of Central Michigan University Public Broadcasting Network are intended to present the financial position, changes in financial position, and changes in cash flows of only that portion of the University's business-type activities that are attributable to the transactions of the department. They do not purport to, and do not, present fairly the financial position of the University as of June 30, 2023 and 2022; the changes in its financial position; or the changes in its cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Network's ability to continue as a going concern for 12 months beyond the consolidated financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

To the Board of Trustees
Central Michigan University Public
Broadcasting Network
c/o Central Michigan University

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Network's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Network's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as identified in the table of contents, be presented to supplement the basic consolidated financial statements. Such information is the responsibility of management and, although not a part of the basic consolidated financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic consolidated financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic consolidated financial statements, and other knowledge we obtained during our audit of the basic consolidated financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements that collectively comprise the Network's basic consolidated financial statements. The other supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic consolidated financial statements or to the basic consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic consolidated financial statements as a whole.

Plante & Moreau, PLLC

January 26, 2024

Central Michigan University Public Broadcasting Network

Management's Discussion and Analysis - Unaudited

This section of Central Michigan University Public Broadcasting Network's (the "Network") annual consolidated financial report presents our discussion and analysis of the financial performance of the television and radio stations for the fiscal year ended June 30, 2023, with selected comparative information for the years ended June 30, 2022, and 2021. This discussion has been prepared by management along with the consolidated financial statements and related note disclosures and should be read in conjunction with, and is qualified in its entirety by, the consolidated financial statements and notes. The discussion and analysis is designed to focus on current activities, resulting changes, and current known facts. The consolidated financial statements, notes, and this discussion are the responsibility of management.

Reporting Entity

Central Michigan University (the "University") operates the not-for-profit Network through the Department of Public Broadcasting under licenses granted to the board of trustees of the University. The assets, liabilities, and net position of the Network, excluding the Delta College portion, are included in the financial statements of Central Michigan University. The stations in the Network are identified by the following call letters:

WCMU-DT and WCMU-FM, Mount Pleasant
WCMV-DT, Cadillac
WCMW-DT, Manistee
WCML-DT and WCML-FM, Alpena
WCMV-FM, Leland
WUCX-FM, Bay City

WCMW-FM, Harbor Springs
WCMB-FM, Oscoda
WCMZ-FM, Sault Sainte Marie
WWCM-FM, Standish
W236BU-FM, Traverse City

WUCX-FM, Bay City, is licensed to the University and is operated jointly by Central Michigan University and Delta College. The financial statements of Delta College WUCX-FM have been audited separately and have been combined with the Network in these consolidated financial statements. Inter-organizational transactions have been eliminated. See Note 14 for disclosures related to Delta College WUCX-FM's financial statements.

Only WCMU-DT and WCMU-FM are funded by the Corporation for Public Broadcasting (CPB). However, the operations of all of the stations (including Delta College WUCX-FM) have been combined for financial reporting purposes, as allowed by the CPB. The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB) and the Corporation for Public Broadcastings' *Principles of Accounting and Financial Reporting for Public Telecommunications Entities*.

On April 30, 2020, Central Michigan University acquired WFCX-FM from Northern Michigan Radio, Inc. The call letters were immediately changed to WCMV-FM. The purchase price of \$500,000 primarily included the FCC license, antenna, transmitter and transmitter building. The station was incorporated into the Network and carries the same programming as the other stations. The acquisition expanded the radio coverage area into Traverse City and surrounding areas in northern Michigan. The purchase was financed by a loan from Central Michigan University to the Network which is being repaid over five years at an annual interest rate of 5.0%.

On June 25, 2021, Central Michigan University Board of Trustees, the FCC license holder of W236BU-FM, sold the station's rights to broadcast on channel 95.1. The proceeds from the sale of the broadcast rights were recorded in fiscal year 2021 as part of the Network's revenue.

Central Michigan University Public Broadcasting Network

Management's Discussion and Analysis - Unaudited (Continued)

Factors Influencing Future Periods

The Network will be looking to make repairs and improvements to its extensive transmission and tower network beginning in fiscal year 2024. Much of this work was delayed by the COVID-19 pandemic. Some equipment has aged past the manufacturer suggested end of life and in some cases is no longer serviced by vendors.

The Network continues work associated with the addition of a fourth 24/7 education channel as part of a partnership with the other five Michigan Public Television stations. The channel is branded as the Michigan Learning Channel. In 2023, the Network plans to sign on for another three-year commitment to carry the Michigan Learning Channel through fiscal year 2026. Just before the close of fiscal year 2022 we learned the state appropriated \$5 million for the Michigan Learning Channel, with member networks like WCMU receiving \$250,000 to operate the channel and support promotion. The work in education is an important part of the Network's mission. The Network will continue to support the Michigan Learning Channel and build up educational partnerships across the Network's 42-county coverage area and on the campus of CMU.

The Network is exploring the addition of a fifth broadcast/streaming television channel. Partnerships and additional funding will be necessary to make this addition and an increase in local content creation possible.

The Network is in its sixth year of partnership with six local newspapers. CMU students are placed in community newspaper newsrooms to produce local reports from The Big Rapids Pioneer, The Huron Daily Tribune in Bad Axe, The Cadillac News, The Midland Daily News, Alpena News, and the Traverse City Record-Eagle. Many of the student reports are also aired on WCMU Public Radio. The program has led to several of our students being hired by community newspapers across the state including our internship partners.

An additional news reporter position was added to the Network in 2022 through a grant with Report for America. This reporter is embedded in the Cheboygan community and reports on environmental issues in the region, with a focus on water. This position is renewable over three years if both the Network newsroom and Report for America corps member agree to continue the relationship. The Network is now in its second year with Report for America covering 33% of the position's salary. The Network is responsible for sourcing a portion of the position's salary from local communities.

During fiscal year 2021, the Network started a significant rebuild of the TV Master Control operations and the TV Production Control. This work was completed in fiscal year 2023. This critical project was necessary since this equipment was beyond end of life and no longer supported by vendors. In addition, there was no redundancy for many systems. The Network has begun decommissioning gear from an obsolete mobile production truck. This work will continue into fiscal year 2024.

The Network continues to focus on increasing memberships to generate additional revenue. The total number of members increased in fiscal year 2023 to 14,266 compared to 13,128 in fiscal year 2022. There were 5,597 sustaining members, paying monthly for fiscal year 2023 compared to 5,097 in fiscal year 2022. Traditionally, sustainers contribute at higher levels and stay on the file longer than one-time donors. Both are important to the financial health of the Network.

In fiscal year 2023, there was \$60 million of federal funding allocated through the Corporation for Public Broadcasting for the annual station interconnection account. This is the backbone of the public broadcasting system. It will provide support for nationwide emergency alerting and provide local stations with operational

Central Michigan University Public Broadcasting Network

Management's Discussion and Analysis - Unaudited (Continued)

efficiencies through national programming and by connecting stations with one another. Additionally, the fiscal year 2023 appropriations bills provided \$535 million for the Corporation for Public Broadcasting in the two-year advance funding for fiscal year 2025, \$56.5 million for the new Next Generation Warning System at FEMA to fund improvements to the station infrastructure that helps distribute emergency alerts and warnings. NGWS grant funding will be made available in fiscal year 2024 to support stations through the upgrade of transmission equipment supporting the emergency alerting capabilities of the wider public broadcasting network. The Network intends to seek grant funding to support transmission upgrades.

While fiscal year 2024 has not been finalized, the draft appropriation bill in the Senate includes \$535 million for CPB's two-year advance in fiscal year 2025. In addition, the draft bills recommend \$60 million for interconnection, \$53 million for the Next Generation Warning System and \$31 million for Ready to Learn. The House draft appropriation bill is not as clear as of this writing, with consideration being given to eliminating funding for CPB's two-year advance, Ready to Learn and Interconnection.

The Network is forward funded by two years from the CPB. The CPB provides Community Service Grants (CSG) to every station. The CPB is a vital source of funding for the nation's public radio and TV stations in their efforts to serve local communities.

In fiscal year 2023, the Network used half of the remaining funds received from the American Rescue Plan with the intention of utilizing the remaining \$358,118 within fiscal year 2024.

The Network continues to work on initiatives to generate more revenue in an effort to be more financially independent.

Using the Financial Report

The Network's consolidated financial report includes three financial statements: the consolidated statement of net position, the consolidated statement of revenues, expenses, and changes in net position, and the consolidated statement of cash flows. The consolidated financial statements present focus on the financial condition, the results of operations, and cash flows of the Network as a whole. These consolidated financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) Statements.

The consolidated statement of net position includes all assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the services or goods/products are provided and expenses and liabilities are recognized when others provide the service or product, regardless of when cash is exchanged.

The consolidated statement of revenues, expenses, and changes in net position presents the revenue earned and the expenses incurred during the year. Activities are reported as either operating, nonoperating or other revenue. The utilization of long-lived assets, referred to as capital assets, is reflected in the consolidated financial statements as depreciation, which amortizes the cost of an asset over its expected useful life. The right-to use assets, referred to as lease assets, is reflected as amortization, which depreciates the value of the asset over the shorter of the lease term or the estimated useful life of the underlying asset.

The consolidated statement of cash flows presents the information related to cash inflows and outflows summarized by operating, capital and noncapital financing, and investing activities. Its primary purpose is to provide relevant information about the cash receipts and cash payments of the Network during the year.

Central Michigan University Public Broadcasting Network

Management's Discussion and Analysis - Unaudited (Continued)

Consolidated Statement of Net Position

	2023	2022	2021 (as Restated)
Current assets	\$ 7,913,404	\$ 7,553,173	\$ 8,358,949
Noncurrent assets:			
Lease assets, Net	831,340	861,815	892,290
Capital assets, Net	6,116,255	7,252,227	7,479,692
Other	9,957,699	9,301,151	10,067,375
Total assets	24,818,698	24,968,366	26,798,306
Deferred outflows of resources	176,402	90,173	263,547
Current liabilities	421,372	396,777	371,581
Noncurrent liabilities	1,476,661	1,494,490	3,921,294
Total liabilities	1,898,033	1,891,267	4,292,875
Deferred inflows of resources	3,242,020	2,854,509	2,918,284
Total net position	<u>\$ 19,855,047</u>	<u>\$ 20,312,763</u>	<u>\$ 19,850,694</u>

Current assets consist of cash and cash equivalents, receivables, and prepaid expenses. Current assets totaled \$7.9 million at June 30, 2023 as compared to \$7.5 million at June 30, 2022 and \$8.3 million at June 30, 2021.

Fiscal year 2023 compared to 2022

- Cash and cash equivalents increased \$0.5 million due mainly to the completion of the TV Master Control operations and the TV Production Control rebuild project causing a decrease in related purchases.

Fiscal year 2022 compared to 2021

- Cash and cash equivalents decreased \$0.6 million due mainly to an increase in purchases related to the rebuild of the TV Master Control operations and the TV Production Control. Accounts receivable decreased \$0.4 million due largely to the reimbursement of the FCC Rechanel Repack Reimbursement Program.

Noncurrent assets include capital assets, net of accumulated depreciation, leased assets, net of accumulated amortization, and endowment investments at fair value. Noncurrent assets totaled \$16.9 million at June 30, 2023 as compared to \$17.5 million at June 30, 2022 and \$18.5 million at June 30, 2021.

Fiscal year 2023 compared to 2022

- Capital assets net of accumulated depreciation decreased \$1.1 million primarily due to the disposal of obsolete equipment. Refer to Note 3 for details regarding capital assets. Other noncurrent assets increased \$0.6 million primarily due to an increase in long-term receivables and endowment investment appreciation resulting from favorable market conditions.

Central Michigan University Public Broadcasting Network

Management's Discussion and Analysis - Unaudited (Continued)

Fiscal year 2022 compared to 2021

- Capital assets net of accumulated depreciation decreased \$0.2 million primarily due to the purchase of capitalized equipment offset by annual depreciation expense. Refer to Note 3 for details regarding capital assets. Other noncurrent assets decreased \$0.8 million primarily due to endowment investment depreciation resulting from unfavorable market conditions.

Current Liabilities include accounts payable, accrued payroll, unearned revenue, the current portion of the long-term obligations payable within the next twelve months, and the current portion of the long-term lease obligations payable within the next twelve months. Current liabilities totaled \$0.4 million at June 30, 2023 as compared to \$0.4 million at June 30, 2022 and \$0.4 million at June 30, 2021. Current liabilities remained consistent with fiscal year 2022.

Noncurrent liabilities include compensated absences for employees, long-term debt, long-term lease liability and net pension and net OPEB liability as required by GASB 68 and GASB 75, respectively. Noncurrent liabilities totaled \$1.5 million at June 30, 2023 as compared to \$1.5 million at June 30, 2022 and \$3.9 million at June 30, 2021. Noncurrent liabilities remained consistent with fiscal year 2022.

Net position represents the difference between the Network's assets and deferred outflows of resources and liabilities and deferred inflows of resources. Total net position at June 30 is summarized as follows:

	2023	2022	2021 (as Restated)
Restricted - Nonexpendable	\$ 2,832,678	\$ 2,823,068	\$ 2,798,245
Restricted - Expendable	2,190,475	1,917,123	2,077,449
Unrestricted	8,916,980	8,591,188	7,830,155
Net investment in capital assets	5,914,914	6,981,384	7,144,845
Total net position	<u>\$ 19,855,047</u>	<u>\$ 20,312,763</u>	<u>\$ 19,850,694</u>

Fiscal year 2023 compared to 2022

- Net position decreased \$0.5 million. Restricted - nonexpendable remained consistent with fiscal year 2022. Restricted - expendable increased \$0.3 million due to an increase in the market value of endowment investments. Unrestricted increased \$0.3 million due to a decrease in purchases related to the completion of the TV Master Control operations and the TV Production Control rebuild project. Net investment in capital assets decreased \$1.1 million primarily due to the disposal of obsolete equipment.

Fiscal year 2022 compared to 2021

- Net position increased \$0.5 million. Restricted - nonexpendable remained consistent with fiscal year 2021. Restricted - expendable decreased \$0.2 million due to a decrease in the market value of endowment investments. Unrestricted increased \$0.8 million due to the decrease in the Network's proportionate share of the pension and OPEB liability related to the Michigan Public School Employee's Retirement System (MPERS) plan. Net investment in capital assets decreased \$0.1 million due largely to the purchase of capitalized equipment offset by annual depreciation and amortization expense.

Central Michigan University Public Broadcasting Network

Management's Discussion and Analysis - Unaudited (Continued)

Consolidated Statement of Revenues, Expenses, and Changes in Net Position

	2023	2022	2021 (as Restated)
Operating Revenues			
University support - Operating	\$ 2,569,414	\$ 2,536,071	\$ 3,305,176
Community service grants	1,476,520	1,417,746	1,279,825
Outreach grants	88,027	89,106	27,779
Contributions and underwriting	2,965,531	2,965,367	3,053,929
Other operating revenues	195,386	218,316	407,887
Total operating revenues	7,294,878	7,226,606	8,074,596
Operating Expenses	8,036,833	6,777,728	7,888,180
Operating (Loss) Income	(741,955)	448,878	186,416
Nonoperating Revenues (Expenses)			
Governmental Coronavirus support programs	-	-	763,830
Investment income (loss) - Net of expenses	366,399	(392,047)	1,551,713
Interest on capital assets related debt	(48,281)	(53,028)	(57,522)
Other nonoperating revenue	(94,068)	368,411	354,356
Total nonoperating revenues (expenses)	224,050	(76,664)	2,612,377
(Loss) Income Before Other	(517,905)	372,214	2,798,793
Other			
Capital grants/contracts	55,264	49,655	(63,610)
Additions to permanent endowments	4,925	40,200	5,386
Total Other	60,189	89,855	(58,224)
(Decrease) Increase in Net Position	(457,716)	462,069	2,740,569
Net Position			
Net Position - Beginning of year	20,312,763	19,850,694	17,110,125
Net Position - End of year	\$ 19,855,047	\$ 20,312,763	\$ 19,850,694

Operating revenues for fiscal years ended June 30, 2023, 2022, and 2021 was \$7.3 million, \$7.2 million, and \$8.1 million, respectively.

Fiscal year 2023 compared to 2022

- Community service grants increased \$0.1 million due to an increase in grant funding. All other operating revenues remained consistent with fiscal year 2022.

Central Michigan University Public Broadcasting Network

Management's Discussion and Analysis - Unaudited (Continued)

Fiscal year 2022 compared to 2021

- University operating support decreased \$0.8 million due mainly to budget reductions in University's operating support compared to fiscal year 2021 and completion of plant projects funded by the University. Contributions remained consistent with fiscal year 2021. Community service grants and outreach grants increased \$0.2 million due to an increase in grant funding. Underwriting decreased \$0.1 million due to decreased underwriting contracts in fiscal year 2022. Rents and royalties and other operating revenue decreased \$0.2 million mainly due to a decrease in royalties.

Operating expenses for fiscal year 2023 totaling \$8.0 million include compensation and benefits of \$2.8 million, supplies of \$4.0 million, utilities of \$0.4 million, and depreciation and amortization of \$0.8 million.

A comparative summary of the Network's expenses for the years ended June 30 is as follows:

	2023	2022	2021 (as Restated)
Compensation and benefits	\$ 2,820,123	\$ 2,914,146	\$ 2,989,287
Supplies	4,067,256	2,721,213	3,806,330
Utilities	357,306	341,438	330,484
Depreciation and amortization	792,148	800,931	762,079
Total operating expenses	<u><u>\$ 8,036,833</u></u>	<u><u>\$ 6,777,728</u></u>	<u><u>\$ 7,888,180</u></u>

Fiscal year 2023 compared to 2022

- Supplies increased \$1.3 million as a result of normalization of supplies expenses due to the one time gain recorded in fiscal year 2022 after the final Michigan Public School Employee's Retirement System (MPERS) employee retired from public broadcasting.
- Compensation and benefits decreased by \$0.1 million due to fewer employees utilizing the benefit program in 2023.
- Utilities and depreciation and amortization remained consistent with fiscal year 2022.

Fiscal year 2022 compared to 2021

- Supplies decreased \$1.1 million primarily due to the decrease in expense to support the unfunded portion of the Michigan Public School Employee's Retirement System (MPERS) pension and OPEB plan.
- Compensation and benefits, utilities, and depreciation and amortization remained consistent with fiscal year 2021.

**Central Michigan University
Public Broadcasting Network**

Management's Discussion and Analysis - Unaudited (Continued)

Consolidated Statement of Cash Flows

	2023	2022	2021 (as Restated)
Cash received from operations	<u>\$ 6,160,498</u>	<u>\$ 6,146,799</u>	<u>\$ 6,720,047</u>
Cash expended for operations	<u>(6,008,166)</u>	<u>(7,052,732)</u>	<u>(6,474,691)</u>
Net cash provided (used) by operating activities	152,332	(905,933)	245,356
Net cash provided by noncapital financing activities	4,925	43,438	769,216
Net cash provided (used) by capital financing activities	82,252	(13,616)	473,821
Net cash provided by investing activities	<u>259,779</u>	<u>239,591</u>	<u>198,969</u>
Net increase (decrease) in cash and cash equivalents	499,288	(636,520)	1,687,362
Cash and cash equivalents at beginning of year	<u>6,392,049</u>	<u>7,028,569</u>	<u>5,341,207</u>
Cash and cash equivalents at end of year	<u><u>\$ 6,891,337</u></u>	<u><u>\$ 6,392,049</u></u>	<u><u>\$ 7,028,569</u></u>

Summary

The Network operated within available resources during the year. Major sources of revenue to fund operations included the general University support, contributions and underwriting, and support from the Corporation for Public Broadcasting. Expenses were limited to correspond with available revenue.

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Central Michigan University Public Broadcasting Network

Consolidated Statement of Net Position

	Year Ended June 30	
	2023	2022
Assets		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 6,891,337	\$ 6,392,049
Accounts receivable	144,565	110,346
Pledges receivable - Net	475,743	620,823
Lease receivable - Current portion	165,710	134,586
Prepaid expenses	236,049	295,369
Total current assets	<u>7,913,404</u>	<u>7,553,173</u>
Noncurrent assets:		
Lease receivable	3,205,337	2,655,409
Endowment investments (Note 2)	6,752,362	6,645,742
Lease assets - Net (Note 13)	831,340	861,815
Capital assets - Net (Note 3)	6,116,255	7,252,227
Total noncurrent assets	<u>16,905,294</u>	<u>17,415,193</u>
Total assets	<u>24,818,698</u>	<u>24,968,366</u>
Deferred Outflows of Resources	<u>176,402</u>	<u>90,173</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities (Note 4)	135,595	133,183
Accrued payroll (Note 4)	95,298	85,177
Unearned revenue	17,842	77,671
Long-term liabilities - Current portion (Note 5)	6,664	769
Lease liabilities - Current portion (Note 13)	60,251	(710)
Current portion due to CMU (Note 6)	105,722	100,687
Total current liabilities	<u>421,372</u>	<u>396,777</u>
Noncurrent liabilities:		
Long-term liabilities (Note 5)	91,857	105,171
Lease liabilities (Note 13)	866,708	926,959
Due to CMU (Note 6)	-	105,722
Net pension liability (Note 8 & 14)	490,151	335,663
Net OPEB liability (Note 8 & 14)	27,945	20,975
Total noncurrent liabilities	<u>1,476,661</u>	<u>1,494,490</u>
Total liabilities	<u>1,898,033</u>	<u>1,891,267</u>
Deferred Inflows of Resources	<u>3,242,020</u>	<u>2,854,509</u>
Net Position		
Net investment in capital assets	5,914,914	6,981,384
Restricted for:		
Nonexpendable	2,832,678	2,823,068
Expendable	2,190,475	1,917,123
Unrestricted	8,916,980	8,591,188
Total net position	<u>\$ 19,855,047</u>	<u>\$ 20,312,763</u>

Central Michigan University Public Broadcasting Network

Consolidated Statement of Revenues, Expenses, and Changes in Net Position

	Year Ended June 30	
	2023	2022
Revenues		
Operating revenues:		
University appropriations - Operations	\$ 1,422,300	\$ 1,625,674
University additional support - Operations	31,720	22,823
University administrative support - Operations	1,115,394	887,574
Contributions and pledges, net of allowance	2,548,646	2,564,577
Community service grants	1,476,520	1,417,746
Outreach grants	88,027	89,106
Program underwriting and pledges	411,885	395,790
Production underwriting	5,000	5,000
Rents and royalties	75,489	83,251
In-kind support	99,986	117,834
Other operating revenues	19,911	17,231
Total operating revenues	7,294,878	7,226,606
Expenses		
Operating expenses:		
Programming and local production	2,774,188	2,718,747
Broadcasting	1,946,080	496,018
Program information	510,254	540,735
Fundraising	1,202,158	1,425,275
Management and general	812,005	796,022
Depreciation and amortization	792,148	800,931
Total operating expenses	8,036,833	6,777,728
Operating (Loss) Income	(741,955)	448,878
Nonoperating Revenues (Expenses)		
Investment income (loss), net of expenses	366,399	(392,047)
Interest on capital assets related debt	(48,281)	(53,028)
(Loss) gain on disposal of capital assets	(442,556)	40,489
Transfers from University	-	3,238
Other nonoperating revenues	348,488	324,684
Total nonoperating revenues (expenses)	224,050	(76,664)
(Loss) Income Before Other	(517,905)	372,214
Other		
Capital grants/contracts	55,264	49,655
Additions to permanent endowments	4,925	40,200
Total Other	60,189	89,855
(Decrease) Increase in Net Position	(457,716)	462,069
Net Position		
Net Position - Beginning of year	20,312,763	19,850,694
Net Position - End of year	\$ 19,855,047	\$ 20,312,763

Central Michigan University Public Broadcasting Network

Consolidated Statement of Cash Flows

	Year Ended June 30	
	2023	2022
Cash Flows from Operating Activities		
Grants from CPB	\$ 1,476,520	\$ 1,417,746
Research grants and contracts	29,237	84,833
Payments to suppliers	(2,846,541)	(3,881,476)
Payments for utilities	(356,439)	(333,759)
Payments to employees	(2,084,584)	(2,039,934)
Payments for benefits	(720,602)	(797,563)
Contributions	2,675,090	2,469,336
Underwriting	435,521	427,732
Rents and royalties	67,553	85,420
General University support	1,454,020	1,648,497
Other receipts	22,557	13,235
Net cash provided (used) by operating activities	152,332	(905,933)
Cash Flows from Noncapital Financing Activities		
Transfers from University	-	3,238
Private gifts for endowment purposes	4,925	40,200
Net cash provided by noncapital financing activities	4,925	43,438
Cash Flows from Capital Financing Activities		
Capital grants/contracts received	-	458,712
Principal paid on capital debt	(100,687)	(95,893)
Interest paid on capital debt	(10,321)	(15,115)
Principal paid on leases	710	1,414
Interest paid on leases	(37,960)	(37,913)
Other receipts leases	266,267	237,681
Purchases of capital assets	(68,257)	(562,502)
Proceeds from the disposal of capital assets	32,500	-
Net cash provided (used) by capital financing activities	82,252	(13,616)
Cash Flows from Investing Activities		
Proceeds from sales and maturities of investments	40,480	52,842
Investment income	107,360	255,789
Purchases of investments	(41,084)	(63,864)
Endowment pool investments net proceeds (purchases)	153,023	(5,176)
Net cash provided by investing activities	259,779	239,591
Net Increase (Decrease) in Cash and Cash Equivalents	499,288	(636,520)
Cash and Cash Equivalents - Beginning of year	6,392,049	7,028,569
Cash and Cash Equivalents - End of year	\$ 6,891,337	\$ 6,392,049

Central Michigan University Public Broadcasting Network

Consolidated Statement of Cash Flows

	Year Ended June 30	
	2023	2022
Reconciliation of Net Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating (Loss) Income	\$ (741,955)	\$ 448,878
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation and amortization expense	792,148	800,931
Other non-cash transactions	-	2,080
Change in assets and liabilities:		
Receivables - Net	133,625	(62,150)
Prepaid expenses	59,320	(105,986)
Accounts payable and accrued liabilities	2,412	32,808
Accrued payroll	10,121	4,021
Unearned revenue	(59,829)	(4,259)
Compensated absences	(9,450)	(9,870)
Net pension liability	154,488	(2,153,381)
Deferred outflows / inflows of resources - Pension	(164,732)	254,181
Net OPEB liability	6,970	(174,346)
Deferred outflows / inflows of resources - OPEB	(32,817)	63,262
Other obligations	2,031	(2,102)
Net cash provided (used) by operating activities	<u>\$ 152,332</u>	<u>\$ (905,933)</u>

Central Michigan University Public Broadcasting Network

Notes to Consolidated Financial Statements
June 30, 2023 and 2022

Note 1 - Industry Information and Significant Accounting Policies

Reporting Entity - Central Michigan University, Mount Pleasant, Michigan (the “University” or CMU) operates the not-for-profit television and radio stations of Central Michigan University Public Broadcasting Network (the “Network”), through the Department of Public Broadcasting under licenses granted to the board of trustees of the University. These stations are identified by the following call letters:

WCMU-DT and WCMU-FM, Mount Pleasant
WCMV-DT, Cadillac
WCMW-DT, Manistee
WCML-DT and WCML-FM, Alpena
WUCX-FM, Bay City
WCMW-FM, Harbor Springs
WCMB-FM, Oscoda
WCMZ-FM, Sault Sainte Marie
WWCM-FM, Standish
WCMV-FM, Leland

WUCX-FM, Bay City, is operated jointly by Central Michigan University and Delta College. For 2023 and 2022, the financial statements of Delta College WUCX-FM have been audited separately and combined with Central Michigan University Public Broadcasting Network in these consolidated financial statements. Interorganizational transactions have been eliminated. See Note 14 for disclosures related to Delta College WUCX-FM financial statements.

Only WCMU-DT and WCMU-FM are funded by the Corporation for Public Broadcasting (CPB). However, the operations of all of the stations have been combined for financial reporting purposes, as allowed by the CPB.

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Note 1 - Industry Information and Significant Accounting Policies (Continued)

Basis of Presentation - The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB) and the Corporation for Public Broadcastings' *Principles of Accounting and Financial Reporting for Public Telecommunications Entities*.

The Network follows the "business-type" activities requirements of GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis - for Public Colleges and Universities*. This statement requires the following components of the Network's consolidated financial statements:

- Management's discussion and analysis
- Basic consolidated financial statements including a Consolidated Statement of Net Position, Consolidated Statement of Revenues, Expenses, and Changes in Net Position, and Consolidated Statement of Cash Flows for the Network as a whole
- Notes to the consolidated financial statements

GASB Statement No. 34 establishes standards for external financial reporting for public colleges and universities and requires that resources be classified for accounting and reporting purposes into the following four net position categories:

- Net investment in capital assets: Capital assets, net of accumulated depreciation, leased assets, net of accumulated amortization, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.
- Restricted:
 - Nonexpendable - Net position subject to externally imposed constraints that they be maintained permanently by the Network. Such assets include the Network's permanent endowment funds.
 - Expendable - Net position whose use by the Network is subject to externally imposed constraints that can be fulfilled by actions of the Network pursuant to those constraints or that expire by the passage of time.
- Unrestricted: Net positions that are not subject to externally imposed constraints. Unrestricted net positions may be designated for specific purposes by action of management or the board or may otherwise be limited by contractual agreements with outside parties.

Central Michigan University Public Broadcasting Network

Notes to Consolidated Financial Statements June 30, 2023 and 2022

Note 1 - Industry Information and Significant Accounting Policies (Continued)

Basis of Accounting - The accompanying consolidated financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting.

Use of Estimates - The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Summary of Significant Accounting Policies

Cash and Cash Equivalents and Investments - Cash and cash equivalents and marketable securities are held by Central Michigan University or Delta College funds. The amounts reflected in the accompanying consolidated statement of net position represent the amounts due to the Network from the University's pooled cash and investments. Investments are stated at fair value.

Accounts Receivable - Accounts receivable at June 30, 2023 and 2022 include tower rent-related receivables, lease receivables, grant receivables and receivables for services performed. Accounts receivable are deemed fully collectible.

Leased Assets - Right-to-use assets are stated at the present value of payments expected to be made during the lease term using a discount rate.

Amortization is provided for leased assets over the shorter of the lease term or the estimated useful life of the underlying asset.

Capital Assets - Institutional capital assets are stated at cost when purchased and at appraised value for other acquisitions. Building additions and improvements with a cost in excess of \$50,000 are capitalized if the life of the building is extended. Equipment with a cost in excess of \$5,000 with a useful life greater than one year is capitalized. Donated capital assets are recorded at their acquisition value as of the date received.

Depreciation is provided for capital assets on a straight-line basis over the estimated useful life of the property as follows:

Classification	Life
Buildings and Improvements more than \$100,000	40 years
Buildings and Improvements \$50,000 to \$100,000	10 years
Intangible Assets	40 years or indefinite
Equipment - Digital TV	20 years
Equipment	8 years
Vehicles	4 years

Central Michigan University Public Broadcasting Network

Notes to Consolidated Financial Statements June 30, 2023 and 2022

Note 1 - Industry Information and Significant Accounting Policies (Continued)

Unearned Revenue - Unearned revenue represents tower lease revenue and grant revenue that will be recognized by the Network during the year in which it is earned.

Administrative Support - Administrative support from the University consists of that portion of the indirect costs incurred by the University and attributable to the Network's operations (such as personnel services, purchasing, and payables). Administrative support is calculated and recorded as revenue and expense using methods mandated by the CPB.

Revenue Recognition - Revenue is recognized when earned and expenditures are recognized when the service is provided. Restricted grant revenue is recognized only to the extent expended. Operating revenue of the Network consists of general appropriations from the University, contributions, community service grants from the CPB, outreach grants, underwriting and auxiliary enterprise revenue. Nonoperating revenue of the Network consists of investing activities, capital contributions, capital grants, lease revenue and expenses and Governmental Coronavirus support programs funding. Restricted and unrestricted resources are spent and tracked at the station level within the guidelines of donor restrictions.

Contributions and Pledges - Voluntary nonexchange transactions (pledges) are recognized in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. GASB Statement No. 33 requires recognition of the entire pledge in the first period that use is permitted and all applicable eligibility requirements have been satisfied. Such pledges are recorded net of allowance for uncollectible pledges.

Pensions and Other Post-Employment Benefits (OPEB) - For purposes of measuring the net pension and other post-employment benefit (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the Michigan Public School Employees Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. MPERS uses the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as expense when due and payable in accordance with the benefit terms. Related plan investments are reported at fair value.

Compensated Absences - Network employees earn vacation and sick leave benefits based, in part, on length of service. Vacation pay is fully vested when earned. Upon separation from service, employees are paid accumulated vacation based upon the nature of separation (death, retirement or termination). Certain limitations have been placed on the hours of vacation that employees may accumulate and carry over for payment at death, retirement or termination. Unused hours exceeding these limitations are forfeited.

Central Michigan University Public Broadcasting Network

Notes to Consolidated Financial Statements June 30, 2023 and 2022

Note 1 - Industry Information and Significant Accounting Policies (Continued)

Deferred Outflows of Resources - In addition to assets, the consolidated statement of net position reports a separate section for deferred outflows of resources. This separate consolidated financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Network's deferred outflows of resources related to the net pension liability were \$141,637 and \$64,756 as of June 30, 2023 and 2022, respectively. The Network's deferred outflows of resources related to the net other post-employment benefits (OPEB) liability were \$34,765 and \$25,417 as of June 30, 2023 and 2022, respectively. See Notes 8 and 14 for more information.

Deferred Inflows of Resources – In addition to liabilities, the consolidated statement of net position reports a separate section for deferred inflows of resources. This separate consolidated financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Network's deferred inflows of resources related to the net pension liability were \$71,895 and \$159,746 as of June 30, 2023 and 2022, respectively. The Network's deferred inflows of resources related to the net OPEB liability were \$66,678 and \$90,147 as of June 30, 2023 and 2022, respectively. See Notes 8 and 14 for more information. At June 30, 2023 and 2022, respectively, deferred inflows related to leasing agreements was \$3,103,447 and \$2,604,616. See Note 13 for additional information on leases.

Adoption of New Standards – During the current year, the Network adopted GASB Statement No. 96 Subscription-Based Information Technology Arrangements (SBITAs). As a result, the Network had no subscription-based information technology arrangements to report for the years ended June 30, 2023 and 2022.

Significant Events Impacting the Network

The Network continues to experience the financial impact of COVID-19. General consensus holds that the worst of the virus is behind us, but concerns remain regarding the economy with costs rising as a direct result of the hurdles created during the height of the COVID-19 pandemic. Inflation has had a significant impact on the Network and the Network's supporters. Local businesses have reconsidered their budgets having a direct impact on their ability to support the Network through underwriting. The Network continues to utilize funds made available through the American Rescue Plan Act with the intention to fully utilizing these funds within the 2024 fiscal year.

The disruption of COVID-19 has also brought a paradigm shift in the workforce. The Network has struggled with finding experienced candidates for the specialized work necessary for radio and television broadcast and streaming. Positions tend to remain open far longer than the Network would like.

Central Michigan University Public Broadcasting Network

Notes to Consolidated Financial Statements June 30, 2023 and 2022

Note 1 - Industry Information and Significant Accounting Policies (Continued)

During fiscal year 2021, the Network started a significant rebuild of the TV Master and Production Control operations. This work has been completed with outdated equipment no longer supported by vendors being decommissioned. Decommissioning of equipment continues in the former mobile Production Control.

Note 2 - Cash and Cash Equivalents and Endowment Investments

The Network considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Network's deposits and investments are included on the consolidated statement of net position under the following classifications as of June 30:

	2023	2022
Cash and cash equivalents	\$ 6,891,337	\$ 6,392,049
Endowment investments	6,752,362	6,645,742
Total	<u>\$ 13,643,699</u>	<u>\$ 13,037,791</u>

The above amounts are classified by GASB Statement No. 3 in the following categories at June 30:

	2023	2022
Deposits in pooled accounts (checking accounts, savings accounts, and certificates of deposit)	\$ 6,891,337	\$ 6,392,049
Investments in pooled accounts	6,752,362	6,645,742
Total	<u>\$ 13,643,699</u>	<u>\$ 13,037,791</u>

Deposits in Pooled Accounts - The University invests and manages cash collectively by pooling cash reserves, including cash of the Network. It is not practicable to determine the amount reflected in the accounts of the banks (without recognition of checks written but not cleared, or of deposits in transit) or the amount of federal depository insurance that is applicable to the Network's portion of the pooled deposits as of June 30, 2023 or 2022. A portion of the Network's cash is deposited in interest-bearing accounts.

Endowment Investments in Pooled Accounts - The Network has received certain contributions that have been designated for use as endowments. Such assets are pooled with and held within the University's Endowment Fund and are invested in brokerage account cash money funds, U.S. Treasury bills, notes and bonds, and debt and equity securities. The Network's investments are stated at fair value based upon market quotations. At June 30, 2023 and 2022, the fair value of the Network's investments was \$6,752,362 and \$6,645,742, respectively. Information as to amount by investment type and associated risks is included in the notes to the financial statements for Central Michigan University and Delta College.

Central Michigan University Public Broadcasting Network

Notes to Consolidated Financial Statements
June 30, 2023 and 2022

Note 2 - Cash and Cash Equivalents and Endowment Investments (Continued)

Donor-restricted Endowments - Under Michigan Law set forth in the Uniform Prudent Management of Institutional Funds Act, as adopted in Michigan in 2009 (UPMIFA), the University Board acts in a fiduciary capacity as trustee of its endowment funds. The UPMIFA requires the University Board to exercise its fiduciary duties prudently and consider both the charitable purposes and needs of the University and the purposes of the specific endowment regarding current expenditures and preservation of purchasing power of the funds. Endowment realized and unrealized appreciation is reported consistently with the net position categorization of the related endowment, net of spending policy distributions.

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Central Michigan University Public Broadcasting Network

Notes to Consolidated Financial Statements June 30, 2023 and 2022

Note 3 - Capital Assets

	Beginning Balance July 1, 2022	Additions	Reductions	Ending Balance June 30, 2023
Land	\$ 197,598	\$ -	\$ -	\$ 197,598
Buildings	7,280,839	-	-	7,280,839
Furniture and equipment	14,851,091	103,932	2,406,343	12,548,680
Intangible assets	731,548	-	-	731,548
Construction in progress	35,675	(35,675)	-	-
Total	23,096,751	68,257	2,406,343	20,758,665
Less accumulated depreciation:				
Buildings	4,606,061	118,222	-	4,724,283
Furniture and equipment	11,018,914	635,671	1,963,787	9,690,798
Intangible assets	219,549	7,780	-	227,329
Total	15,844,524	761,673	1,963,787	14,642,410
Capital assets - Net	\$ 7,252,227	\$ (693,416)	\$ 442,556	\$ 6,116,255

	Beginning Balance July 1, 2021	Additions	Reductions	Ending Balance June 30, 2022
Land	\$ 197,598	\$ -	\$ -	\$ 197,598
Buildings	7,412,335	-	131,496	7,280,839
Furniture and equipment	14,378,168	526,827	53,904	14,851,091
Intangible assets	731,548	-	-	731,548
Construction in progress	-	35,675	-	35,675
Total	22,719,649	562,502	185,400	23,096,751
Less accumulated depreciation:				
Buildings	4,599,825	118,221	111,985	4,606,061
Furniture and equipment	10,428,363	644,455	53,904	11,018,914
Intangible assets	211,769	7,780	-	219,549
Total	15,239,957	770,456	165,889	15,844,524
Capital assets - Net	\$ 7,479,692	\$ (207,954)	\$ 19,511	\$ 7,252,227

Central Michigan University Public Broadcasting Network

Notes to Consolidated Financial Statements June 30, 2023 and 2022

Note 4 - Accounts Payable, Accrued Liabilities, and Accrued Payroll

Accounts payable and accrued liabilities represent amounts due at June 30 for goods and services received prior to the end of the fiscal year. Accounts payable, accrued liabilities, and accrued payroll at June 30 were as follows:

	2023	2022
Vendors	\$ 135,595	\$ 133,183
Accrued payroll	95,298	85,177
Total	<u>\$ 230,893</u>	<u>\$ 218,360</u>

Note 5 - Long-term Liabilities

Long-term liabilities at June 30 were as follows:

	Beginning Balance July 1, 2022	Change	Ending Balance June 30, 2023	Current Portion
Compensated absences	\$ 105,171	\$ (9,450)	\$ 95,721	\$ 3,864
Other obligations	769	2,031	2,800	2,800
Total	<u>\$ 105,940</u>	<u>\$ (7,419)</u>	<u>\$ 98,521</u>	<u>\$ 6,664</u>

	Beginning Balance July 1, 2021	Change	Ending Balance June 30, 2022	Current Portion
Compensated absences	\$ 115,041	\$ (9,870)	\$ 105,171	\$ -
Other obligations	2,871	(2,102)	769	769
Total	<u>\$ 117,912</u>	<u>\$ (11,972)</u>	<u>\$ 105,940</u>	<u>\$ 769</u>

Other obligations represent the value of outstanding advertising credits issued by the Network.

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Central Michigan University Public Broadcasting Network

Notes to Consolidated Financial Statements June 30, 2023 and 2022

Note 6 – Due to CMU

The Network acquired WCFX-FM from Northern Michigan Radio, Inc on April 30, 2020. The call letters were immediately changed to WCMV-FM. The purchase price was \$500,000 and included primarily the FCC license, antenna, transmitter and transmitter building. The station was incorporated into the Network and carries the same programming as the other stations. The acquisition expanded the radio coverage area into Traverse City and surrounding areas in northern Michigan. The purchase was financed by a loan from Central Michigan University to the Network which is being repaid over five years at an annual interest rate of 5.0%. The Network paid \$100,687 against the \$500,000 principal and \$10,321 in interest during the year ended June 30, 2023. The principal balance of \$105,722 and interest due to the University in the final year ending June 30 is as follows:

	Principal	Interest	Total
2024	\$ 105,722	\$ 5,286	\$ 111,008
Total	\$ 105,722	\$ 5,286	\$ 111,008

Note 7 - Operating Expenses

Operating expenses by natural classification at June 30 were as follows:

	2023	2022
Salaries, wages, and benefits	\$ 2,820,123	\$ 2,914,146
Supplies and support services	4,424,562	3,062,651
Depreciation and amortization	792,148	800,931
Total operating expenses	\$ 8,036,833	\$ 6,777,728

Note 8 - Retirement Plans

The information in this note pertains to the retirement plans offered by the University to employees of the Network who work at Central Michigan University. Delta College employees of WUCX-FM, which is operated jointly by Central Michigan University and Delta College, are covered under the Delta College retirement plans. See Note 14 for more information on Delta College.

The Network's employees are included in retirement plans funded by the University either through the Teachers Insurance and Annuity Association (TIAA) or the Michigan Public School Employees Retirement System. See the notes to the University's financial statements for details of these plans.

Total retirement expense for the Network for the years ended June 30, 2023 and 2022 was \$244,376 and \$329,983, respectively.

Central Michigan University Public Broadcasting Network

Notes to Consolidated Financial Statements June 30, 2023 and 2022

Note 8 - Retirement Plans (Continued)

Michigan Public School Employees Retirement System - The Network, through the University, participates in the Michigan Public School Employees Retirement System (MPERS or the "System"), a statewide, cost-sharing, multiple-employer defined benefit public employee retirement system governed by the State of Michigan that covers some employees of the University and therefore, some of the employees of the Network. Employees hired on or after January 1, 1996 cannot participate in MPERS unless they were previously enrolled in the plan at another participating university or college.

The Michigan Public School Employees Retirement System issues a publicly available financial report that is available on the web at <http://www.michigan.gov/orsschools>.

As of June 30, 2023 and 2022 the Network no longer had any employees eligible to participate in the MPERS plan.

Note 9 - Nonfederal Financial Support (NFFS)

The CPB allocates a portion of its funds annually to public broadcasting entities based on a base grant amount and NFFS, which is defined by CPB. NFFS is defined as the total value of cash and the fair market value of services received as contributions or payments and meeting all the respective criteria for each. Calculated in accordance with CPB guidelines, the combined Network reported total NFFS of \$5,335,206 and \$5,302,335 for the years ended June 30, 2023 and 2022, respectively.

Note 10 - Indirect Administrative Support

Indirect support from Central Michigan University consists of allocations of the University's institutional support and facility operation costs that benefit the Network. The fair value of this support is recognized as operating revenue in the consolidated statement of revenues, expenses, and changes in net position under University administrative support for operations and also in operating expenses. The combined value of this support included in the consolidated statement of revenues, expenses, and changes in net position was \$1,115,394 and \$887,574 for the years ended June 30, 2023 and 2022, respectively.

Note 11 - Corporation for Public Broadcasting Community Service Grants

The Network receives funding through a Community Service Grant from the Corporation for Public Broadcasting (CPB). The amount received and expended during fiscal years 2023, 2022 and 2021 were as follows;

Year of Grant	Grant Received	Amount	Amount	Amount	Uncommitted Balance at June 30
		Expended 2023	Expended 2022	Expended 2021	
2023	\$ 1,476,520	\$ 1,476,520			\$ -
2022	1,417,746		\$ 1,417,746		-
2021	1,279,825			\$ 1,279,825	-

Central Michigan University Public Broadcasting Network

Notes to Consolidated Financial Statements June 30, 2023 and 2022

Note 12 - Contingencies

In the normal course of its activities, the Network is a party in various legal and administrative actions. The Network has not experienced significant losses or costs. After taking into consideration legal counsel's evaluation of pending actions and information relative to potential future claims based on past events, the Network is of the opinion that the outcome thereof will not have a material effect on the consolidated financial statements.

Note 13 - Lease and SBITA Commitments

Lessee Agreements and Subscription-Based Information Technology Arrangements

The Network leases certain assets from various third parties. The assets leased include land and buildings with payments generally fixed monthly. The Network also has a requirement to report subscription-based information technology arrangements (SBITA) for the right-to-use various information technology software. As of June 30, 2023 and 2022, the Network had no subscription-based information technology arrangements to report.

Lease assets, net of amortization, consist of the following as of June 30, 2023:

	Beginning Balance July 1, 2022	Additions	Reductions	Ending Balance June 30, 2023
Leased assets				
Land	\$ 337,674	\$ -	\$ -	\$ 337,674
Buildings	585,091	-	-	585,091
Total	922,765	-	-	922,765
Less accumulated amortization:				
Land	29,884	14,942	-	44,826
Buildings	31,066	15,533	-	46,599
Total	60,950	30,475	-	91,425
Leased assets - Net	<u>\$ 861,815</u>	<u>\$ (30,475)</u>	<u>\$ -</u>	<u>\$ 831,340</u>

Central Michigan University Public Broadcasting Network

Notes to Consolidated Financial Statements June 30, 2023 and 2022

Note 13 - Lease and SBITA Commitments (Continued)

Lease assets, net of amortization, consist of the following as of June 30, 2022:

	Beginning Balance July 1, 2021 (as Restated)	Additions	Reductions	Ending Balance June 30, 2022
Leased assets				
Land	\$ 337,674	\$ -	\$ -	\$ 337,674
Buildings	585,091	-	-	585,091
Total	922,765	-	-	922,765
Less accumulated amortization:				
Land	14,942	14,942	-	29,884
Buildings	15,533	15,533	-	31,066
Total	30,475	30,475	-	60,950
Leased assets - Net	<u>\$ 892,290</u>	<u>\$ (30,475)</u>	<u>\$ -</u>	<u>\$ 861,815</u>

Future principal and interest payments related to the Network's lease liability at June 30, 2023 are as follows:

	Principal	Interest	Total
2024	\$ 60,251	\$ 37,773	\$ 98,024
2025	3,365	35,455	38,820
2026	4,340	35,300	39,640
2027	5,378	35,108	40,486
2028	6,486	34,870	41,356
2029-2033	51,742	169,041	220,783
2034-2038	163,015	143,799	306,814
2039-2043	123,803	117,102	240,905
2044-2048	109,165	93,928	203,093
2049-2053	169,622	65,817	235,439
2054-2058	229,792	23,574	253,366
Total	<u>\$ 926,959</u>	<u>\$ 791,767</u>	<u>\$ 1,718,726</u>

Lessors Agreements

The Network leases certain assets to various third parties. The assets leased include buildings with payments generally fixed monthly.

At June 30, 2023 and June 30, 2022, the Network recognized the following lease revenue and lease interest revenue related to its lessor agreements:

	June 30, 2023	June 30, 2022
Lease Revenue	\$ 223,201	\$ 207,844
Lease Interest Revenue	\$ 125,287	\$ 116,840

Central Michigan University Public Broadcasting Network

Notes to Consolidated Financial Statements
June 30, 2023 and 2022

Note 14 - Delta College WUCX-FM

The following notes are taken directly from Delta College WUCX-FM's financial statements and are presented in their entirety to provide additional information regarding Delta College's financial information.

Significant Accounting Policies

Reporting Entity

WUCX-FM (the Station) is a nonprofit public radio station, operated as a separate organizational unit of Delta College (College), a community college located in University Center, Michigan. The Station has operated since 1989 under a Joint Operating Agreement with Central Michigan University's public radio station, WCMU-FM, which maintains the broadcast license granted by the Federal Communications Commission. The Station's financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America as applicable to public colleges and universities outlined in Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*, as required by the Corporation for Public Broadcasting (CPB).

Significant accounting policies followed by the Station are described below to enhance the usefulness of the financial statements to the reader:

Accrual Basis

The financial statements of the Station have been prepared on the accrual basis of accounting, whereby revenue is recognized when earned and expenditures are recognized when the related liabilities are incurred and certain measurement and matching criteria are met.

Cash and Cash Equivalents

Cash and cash equivalents consist of all highly liquid investments with an initial maturity of three months or less when purchased.

Investments

Investments are recorded at fair value, based on quoted market prices.

Capital Assets

Capital assets are recorded at cost or, if acquired by gift, at the acquisition value as of the date of acquisition. Expenditures for maintenance and repairs are expensed as incurred. Depreciation is calculated on capital assets using the straight-line method over the estimated useful lives of the assets. *The American Health Association's Estimated Useful Lives of Depreciable Hospital Assets* was utilized as a guide in establishing useful lives of the Station's capital assets.

Note 14 - Delta College WUCX-FM (Continued)

Compensated Absences

Compensated absences represent the accumulated liability to be paid under the Station's current vacation policy. Under the Station's policy, employees accrue vacation on a bi-weekly basis at a rate that is dependent on the employee's pay class.

Pensions and OPEB (Postemployment Benefits Other Than Pensions)

For purposes of measuring the net pension and OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the Michigan Public School Employees' Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Revenue Recognition

Restricted grant revenue is recognized only to the extent expended.

Gifts and Pledges

Gifts are recorded when received. Voluntary nonexchange transactions (pledges) are recognized in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. GASB Statement No. 33 requires recognition of the entire pledge in the first period that use is permitted and all applicable eligibility requirements have been satisfied. Such pledges are recorded at their discounted present value, net of allowance for uncollectible pledges. The Station has no pledges receivable recorded at June 30, 2023 or 2022.

Donated Facilities and Administrative Support

Donated facilities from Delta College consist of office and studio space together with related occupancy cost, and are recorded in revenue and expense based on methods mandated by CPB. Administrative support from Delta College consists of allocated costs such as financial, administrative, and personnel services and certain other institutional support expenses incurred by the College on behalf of the Station.

Operating Activities

The Station's policy for defining operating activities as reported on the Statement of Revenue, Expenses and Changes in Net Position are those that generally result from the provision of public broadcasting services. Revenue restricted by donors to use for capital improvements, and revenue and expenses that result from financing and investing activities are recorded as nonoperating revenue and expenses.

Central Michigan University Public Broadcasting Network

Notes to Consolidated Financial Statements June 30, 2023 and 2022

Note 14 - Delta College WUCX-FM (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents and Investments

The Station considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Station's deposits and investments are included on the Balance Sheets under the following classifications as of June 30:

	2023	2022
Cash and cash equivalents	\$ 452,559	\$ 341,088
Long-term investments	150,456	137,470
Total	\$ 603,015	\$ 478,558

The above amounts are classified in the following categories at June 30:

	2023	2022
Bank deposits (checking accounts, savings accounts and certificates of deposit)	\$ 452,559	\$ 341,088
Investments in securities and similar vehicles	150,456	137,470
Total	\$ 603,015	\$ 478,558

Cash and Cash Equivalents

Delta College invests and manages cash collectively by pooling cash reserves, including cash of the Station. It is not practical to determine the amount reflected in the accounts of the banks (without recognition of checks written but not cleared, or of deposits in transit) or the amount of federal depository insurance that is applicable to the Station's portion of the pooled deposits as of June 30, 2023 or 2022. A portion of the Station's cash is deposited in interest-bearing accounts.

Investments

The Station has received certain contributions that have been designated for use as quasi-endowments. During the years ended June 30, 2023 and 2022, the Station also received contributions restricted for a permanent endowment. Such assets are pooled with and held within the Delta College Endowment Fund and are invested in brokerage account cash and money funds, U.S. Treasury bills, notes and bonds, debt and equity securities and alternative investment funds. The Station's investments are stated at fair value based upon market quotations. At June 30, 2023 and 2022, respectively, the fair value of the Station's investments is \$150,456 and \$137,470. Information as to amounts by investment type, associated risks and fair value measurements is included in the notes to the financial statements for Delta College.

Central Michigan University Public Broadcasting Network

Notes to Consolidated Financial Statements June 30, 2023 and 2022

Note 14 - Delta College WUCX-FM (Continued)

Capital Assets

The following tables present the changes in the various capital asset class categories:

Year Ended June 30, 2023:	Estimated Useful Life	Beginning Balance	Additions/Depreciation	Deletions	Ending Balance
Capital Assets:					
Buildings	40 years	\$ 80,531	\$ -	\$ -	\$ 80,531
Furniture and equipment	5-20 years	125,341	-	-	125,341
Total Capital Assets		205,872	-	-	205,872
Less Accumulated Depreciation:					
Buildings		49,741	1,620	-	51,361
Furniture and equipment		102,632	5,820	-	108,452
Total Accumulated Depreciation		152,373	\$ 7,440	\$ -	159,813
Capital Assets, Net		\$ 53,499			\$ 46,059

Year Ended June 30, 2022:	Estimated Useful Life	Beginning Balance	Additions/Depreciation	Deletions	Ending Balance
Capital Assets:					
Buildings	40 years	\$ 80,531	\$ -	\$ -	\$ 80,531
Furniture and equipment	5-20 years	125,341	-	-	125,341
Total Capital Assets		205,872	-	-	205,872
Less Accumulated Depreciation:					
Buildings		48,121	1,620	-	49,741
Furniture and equipment		96,812	5,820	-	102,632
Total Accumulated Depreciation		144,933	\$ 7,440	\$ -	152,373
Capital Assets, Net		\$ 60,939			\$ 53,499

Unrestricted Net Position

The Station has designated the use of unrestricted net position as follows as of June 30:

	2023	2022
Designated for funds functioning as endowments	\$ 78,673	\$ 75,017
Unrestricted – MPSERS Pension Liability	(420,409)	(430,653)
Unrestricted – MPSERS OPEB Liability	(59,858)	(85,705)
Unrestricted and unallocated	393,964	285,111
Total Unrestricted Net Position	\$ (7,630)	\$ (156,230)

Note 14 - Delta College WUCX-FM (Continued)

Retirement Plans

The Station's employees are included in a retirement plan funded by Delta College either through MPSERS, or the Optional Retirement Plan (ORP), a defined contribution plan, administered by TIAA-CREF. Prior to July 1, 2010, the MPSERS plan was strictly a defined benefit plan. Effective July 1, 2010, new MPSERS members participate in a hybrid plan which is both a defined benefit and defined contribution plan.

MPSERS Defined Benefit Plan

At June 30, 2023 and 2022, respectively, the Station reported a liability of \$490,151 and \$335,663 for its share of the College's proportionate share of the net pension liability of MPSERS. At June 30, 2023 and 2022, respectively, the Station also reported a liability of \$27,945 and \$20,975 for its share of the College's proportionate share of the net OPEB liability of MPSERS, for a total net pension and OPEB liability of \$518,096 as of June 30, 2023 and \$356,638 as of June 30, 2022. The net pension and OPEB liability at June 30, 2023 was measured as of September 30, 2022, and the total pension and OPEB liability used to calculate the net pension and OPEB liability was determined by an actuarial valuation rolled forward from September 30, 2021. The College's proportion of the net pension and OPEB liability was based on a projection of its long-term share of contributions to the pension and OPEB plans relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2022, the College's pension proportion was .30379%, a decrease of .01871% from its proportion measured as of September 30, 2021, which was .32250%. At September 30, 2022, the College's OPEB proportion was .30754%, a decrease of .00504% from its proportion measured as of September 20, 2021, which was .31258%. The Station's calculated share of the net pension and OPEB liability was based on its proportionate share of the College's covered employee payroll, as measured by the Station's MPSERS contributions.

For the years ended June 30, 2023 and 2022, respectively, the Station recognized MPSERS retirement expense of \$16,421 and \$67,467. For the two respective years, the Station reported deferred outflows of resources of \$141,637 and \$64,756 and deferred inflows of resources of \$71,895 and \$159,746 related to the MPSERS pension and deferred outflows of resources of \$34,765 and \$25,417 and deferred inflows of resources of \$66,678 and \$90,147 related to the MPSERS OPEB.

The Station reported deferred outflows of resources related to pension contributions subsequent to the measurement date of \$51,359 and \$38,273, respectively, as of June 30, 2023 and 2022, that will be recognized as a reduction of the net pension liability in the Station's respective subsequent fiscal year. The Station also reported deferred inflows of resources related to pension rate stabilization appropriations received subsequent to the measurement date of \$33,274 and \$19,796, respectively as of June 30, 2023 and 2022, that will be recognized as revenue in the respective subsequent fiscal year. The Station reported deferred outflows of resources related to OPEB contributions subsequent to the measurement date of \$7,540 and \$7,699, as of June 30, 2023 and 2022, respectively, that will be recognized as a reduction of the net OPEB liability in the Station's respective subsequent fiscal year.

Central Michigan University Public Broadcasting Network

Notes to Consolidated Financial Statements June 30, 2023 and 2022

Note 14 - Delta College WUCX-FM (Continued)

Other amounts reported as deferred outflows and inflows of resources related to pensions and OPEB will be recognized in pension and OPEB expense as follows:

Recognized in Year Ending June 30,	Pension	OPEB
2024	\$ 9,961	\$ (13,767)
2025	6,784	(12,362)
2026	8,966	(10,837)
2027	25,946	(1,568)
2028	-	(863)
Thereafter	-	(56)
Total	\$ 51,657	\$ (39,453)

The discount rate used to measure the total pension liability at June 30, 2023 was 6.00% for the Basic, MIP, Pension Plus, and Pension Plus 2 Plans using the September 30, 2022 valuation year. The discount rate used to measure the total pension liability at June 30, 2022 was 6.80% for Basic, MIP and Pension Plus Plans, and 6.00% for the Pension Plus 2 Plan using the September 30, 2021 valuation year. The following presents the net pension liability of the Station, which was calculated using the aforementioned discount rates, as well as what the Station's net pension liability would be if it were calculated using a discount rate that is 1.0% point lower or 1.0% point higher than the current rates:

	Net Pension Liability at 1.0% Decrease	Net Pension Liability at Current Discount Rate	Net Pension Liability at 1.0% Increase
June 30, 2023	\$ 646,817	\$ 490,151	\$ 361,051
June 30, 2022	\$ 479,907	\$ 335,663	\$ 216,075

The discount rate used to measure the total OPEB liability for the years ending June 30, 2023 and 2022 was 6.00% and 6.95% for the September 30, 2022 and 2021 valuation years, respectively. The healthcare cost rate for the years ending June 30, 2023 and 2022 ranged from 5.25% to 7.75%. The following presents the net OPEB liability of the Station, which was calculated using the aforementioned rate, as well as what the Station's net OPEB liability would be if it were calculated using a discount and healthcare cost rate that is 1.0% point lower or 1.0% point higher than the current rate:

	Net OPEB Liability at 1.0% Decrease	Net OPEB Liability at Current Rate	Net OPEB Liability at 1.0% Increase
Discount Rate June 30, 2023	\$ 46,874	\$ 27,945	\$ 12,004
Current Healthcare Cost Rate June 30, 2023	\$ 11,702	\$ 27,945	\$ 46,178
Discount Rate June 30, 2022	\$ 38,975	\$ 20,975	\$ 5,699
Current Healthcare Cost Rate June 30, 2022	\$ 5,105	\$ 20,975	\$ 38,830

Central Michigan University Public Broadcasting Network

Notes to Consolidated Financial Statements June 30, 2023 and 2022

Note 14 - Delta College WUCX-FM (Continued)

ORP Defined Contribution Plan

The Station had no ORP covered payroll for the years ended June 30, 2023 and 2022.

Additional Information

For additional information concerning the Station's retirement plans, refer to Delta College's June 30, 2023 audited financial statements.

Community Service Grants

The Station operates under a Joint Operating Agreement with Central Michigan University's public radio station, WCMU-FM. This agreement allows the Station to share in annual funding from WCMU-FM's Community Service Grant from the CPB. The Station's share of CPB Community Service Grants received and expended during recent fiscal years was as follows:

Year of Grant	Grants Received	Expended 2023	Expended 2022	Expended 2021	Uncommitted Balance at June 30
2023	\$29,761	\$29,761			\$ -
2022	25,648		\$25,648		-
2021	23,975			\$23,975	-

NonFederal Financial Support (NFFS)

The CPB allocates a portion of its funds annually to public broadcasting entities, primarily based on NFFS, which is defined by CPB. NFFS is defined as the total value of cash and the fair market value of services received as contributions or payments and meeting all the respective criteria for each.

Calculated in accordance with CPB guidelines, the Station reported total NFFS of \$497,473 and \$454,539 for the years ended June 30, 2023 and 2022, respectively.

Indirect Administrative Support

Indirect support from Delta College consists of allocations of the College's institutional support and facility operation costs that benefit the Station. It is calculated based upon the ratio of the Station's operating costs to the College's total institutional support and facility operation costs. The fair value of this support is recognized as operating revenue in the Statements of Revenue, Expenses and Changes in Net Position under donated facilities and administrative support from Delta College and also in operating expenses. The value of this support included in the Statements of Revenue, Expenses and Changes in Net Position was approximately \$55,000 and \$54,000, respectively, for the years ended June 30, 2023 and 2022.

Note 15 – New Accounting Pronouncements

In June 2022, the Governmental Accounting Standards Board issued GASB Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires the liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the fiscal year ending June 30, 2025. The effect of this new statement has not yet been determined.

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Required Supplementary Information

Central Michigan University Public Broadcasting Network

Required Supplementary Information

Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability and Contributions for Michigan Public School
Employees' Retirement System (MPSERS), and Notes to Required Supplementary Information
WUCX-FM
Delta College
June 30, 2023

	2022	2021	2020	2019	September 30,		2017	2016	2015	2014
					2018					
Schedule of Proportionate Share of Net Pension Liability										
WUCX-FM's proportion of the net pension liability:										
As a percentage	0.00130%	0.00142%	0.00135%	0.00135%	0.00137%	0.00138%	0.00128%	0.00125%	0.00114%	
Amount	\$ 490,151	\$ 335,663	\$ 465,125	\$ 447,271	\$ 412,593	\$ 358,064	\$ 318,609	\$ 305,394	\$ 251,699	
WUCX-FM's covered payroll	\$ 129,089	\$ 125,316	\$ 116,434	\$ 115,948	\$ 117,322	\$ 116,159	\$ 106,778	\$ 106,470	\$ 94,385	
WUCX-FM's proportionate share of the net pension liability, as a percentage of the Station's covered payroll	379.7%	267.9%	399.5%	385.8%	351.7%	308.3%	298.4%	286.8%	266.7%	
MPSERS fiduciary net position, as a percentage of the total non-university net pension liability	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%	

	2023	2022	2021	2020	June 30,		2018	2017	2016	2015
					2019					
Schedule of Contributions for MPSERS										
WUCX-FM's statutorily required contributions	\$ 59,011	\$ 44,377	\$ 38,761	\$ 34,995	\$ 36,056	\$ 38,046	\$ 30,370	\$ 29,503	\$ 20,001	
WUCX-FM's contributions in relation to statutorily required contribution	59,011	44,377	38,761	34,995	36,056	38,046	30,370	29,503	20,001	
WUCX-FM's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WUCX-FM's covered payroll	\$ 129,978	\$ 126,879	\$ 113,860	\$ 111,048	\$ 117,077	\$ 118,236	\$ 110,438	\$ 105,485	\$ 92,513	
WUCX-FM's contributions as a percentage of covered payroll	45.4%	35.0%	34.0%	31.5%	30.8%	32.2%	27.5%	28.0%	21.6%	

Notes to Required Supplementary Information

Changes of benefit terms: There were no changes of benefit terms from September 30, 2014 through September 30, 2022.

Changes of assumptions: The discount rate for the September 30 valuation date was: 8.00% for 2014-2016; 7.50% for 2017; 7.05% for 2018; 6.80% for 2019-2021; and 6.00% for 2022.

Central Michigan University Public Broadcasting Network

Required Supplementary Information

Required Supplementary Information
Schedule of Proportionate Share of Net OPEB Liability and Contributions for Michigan Public School
Employees' Retirement System (MPERS), and Notes to Required Supplementary Information
WUCX-FM
Delta College
June 30, 2023

	2022	2021	September 30,		2018	2017
			2020	2019		
Schedule of Proportionate Share of Net OPEB Liability						
WUCX-FM's proportion of the net OPEB liability:						
As a percentage	0.00132%	0.00137%	0.00131%	0.00132%	0.00137%	0.00139%
Amount	\$ 27,945	\$ 20,975	\$ 69,927	\$ 94,859	\$ 109,206	\$ 122,778
WUCX-FM's covered payroll	\$ 129,089	\$ 125,316	\$ 116,434	\$ 115,948	\$ 117,322	\$ 116,159
WUCX-FM's proportionate share of the net OPEB liability, as a percentage of the Station's covered payroll	21.6%	16.7%	60.1%	81.8%	93.1%	105.7%
MPERS fiduciary net position, as a percentage of the total non-university net OPEB liability	83.09%	87.33%	59.44%	48.46%	42.95%	36.39%

	June 30,					
	2023	2022	2021	2020	2019	2018
Schedule of Contributions for MPERS						
WUCX-FM's statutorily required contributions	\$ 10,076	\$ 9,977	\$ 9,196	\$ 8,749	\$ 9,090	\$ 8,529
WUCX-FM's contributions in relation to statutorily required contribution	10,076	9,977	9,196	8,749	9,090	8,529
WUCX-FM's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WUCX-FM's covered payroll	\$ 129,978	\$ 126,879	\$ 113,860	\$ 111,048	\$ 117,077	\$ 118,236
WUCX-FM's contributions as a percentage of covered payroll	7.8%	7.9%	8.1%	7.9%	7.8%	7.2%

Notes to Required Supplementary Information

Changes of benefit terms: There were no changes of benefit terms from September 30, 2017 to September 30, 2022.

Changes of assumptions: The discount rate for the September 30 valuation date was: 7.50% for 2017; 7.15% for 2018; 6.95% for 2019-2021; and 6.00% for 2022.

Other Supplementary Information

Central Michigan University Public Broadcasting Network

Consolidating Statement of Net Position Year Ended June 30, 2023

	Television	Radio	CMU Combined Total	Delta College WUCX-FM	Radio Combined Total	CMU and Delta Combined Total
Assets						
Current assets:						
Cash and cash equivalents	\$ 5,908,505	\$ 530,273	\$ 6,438,778	\$ 452,559	\$ 982,832	\$ 6,891,337
Accounts receivable	92,865	51,700	144,565	-	51,700	144,565
Pledges receivable - Net	263,905	211,838	475,743	-	211,838	475,743
Lease receivable - Current portion	124,740	40,970	165,710	-	40,970	165,710
Prepaid expenses	131,781	104,268	236,049	-	104,268	236,049
Total current assets	6,521,796	939,049	7,460,845	452,559	1,391,608	7,913,404
Noncurrent assets:						
Lease receivable	2,453,419	751,918	3,205,337	-	751,918	3,205,337
Endowment investments	4,950,133	1,651,773	6,601,906	150,456	1,802,229	6,752,362
Lease assets - Net	149,013	682,327	831,340	-	682,327	831,340
Capital assets - Net	4,939,118	1,131,078	6,070,196	46,059	1,177,137	6,116,255
Total noncurrent assets	12,491,683	4,217,096	16,708,779	196,515	4,413,611	16,905,294
Total assets	19,013,479	5,156,145	24,169,624	649,074	5,805,219	24,818,698
Deferred Outflows of Resources	-	-	-	176,402	176,402	176,402
Liabilities						
Current liabilities:						
Accounts payable and accrued liabilities	52,265	46,347	98,612	36,983	83,330	135,595
Accrued payroll	46,527	27,159	73,686	21,612	48,771	95,298
Unearned revenue	16,401	1,441	17,842	-	1,441	17,842
Long-term liabilities - Current portion	5,207	1,457	6,664	-	1,457	6,664
Lease Liabilities - Current portion	58,781	1,470	60,251	-	1,470	60,251
Current portion due to CMU	-	105,722	105,722	-	105,722	105,722
Total current liabilities	179,181	183,596	362,777	58,595	242,191	421,372
Noncurrent liabilities:						
Long-term liabilities	51,215	40,642	91,857	-	40,642	91,857
Lease liabilities	115,802	750,906	866,708	-	750,906	866,708
Net pension liability	-	-	-	490,151	490,151	490,151
Net OPEB liability	-	-	-	27,945	27,945	27,945
Total noncurrent liabilities	167,017	791,548	958,565	518,096	1,309,644	1,476,661
Total liabilities	346,198	975,144	1,321,342	576,691	1,551,835	1,898,033
Deferred Inflows of Resources	2,336,902	766,545	3,103,447	138,573	905,118	3,242,020
Net Position						
Invested in capital assets - Net of related debt	4,913,548	955,307	5,868,855	46,059	1,001,366	5,914,914
Restricted for:						
Nonexpendable	2,535,224	225,671	2,760,895	71,783	297,454	2,832,678
Expendable	1,858,274	332,201	2,190,475	-	332,201	2,190,475
Unrestricted	7,023,333	1,901,277	8,924,610	(7,630)	1,893,647	8,916,980
Total net position	\$ 16,330,379	\$ 3,414,456	\$ 19,744,835	\$ 110,212	\$ 3,524,668	\$ 19,855,047

Central Michigan University Public Broadcasting Network

Consolidating Statement of Revenues, Expenses, and Changes in Net Position Year Ended June 30, 2023

	Television	Radio	CMU Combined Total	Delta College WUCX-FM	Radio Combined Total	CMU and Delta Combined Total
Revenues						
Operating revenues:						
University appropriations - Operations	\$ 749,473	\$ 510,994	\$ 1,260,467	\$ 161,833	\$ 672,827	\$ 1,422,300
University additional support - Operations	20,618	11,102	31,720	-	11,102	31,720
University administrative support - Operations	663,493	396,908	1,060,401	54,993	451,901	1,115,394
Contributions and pledges, net of allowance	1,552,815	825,910	2,378,725	169,921	995,831	2,548,646
Community service grants	1,181,876	294,644	1,476,520	-	294,644	1,476,520
Outreach grants	70,215	17,812	88,027	-	17,812	88,027
Program underwriting and pledges	109,157	245,290	354,447	57,438	302,728	411,885
Production underwriting	5,000	-	5,000	-	-	5,000
Rents and royalties	69,994	5,495	75,489	-	5,495	75,489
In-kind support	56,397	43,589	99,986	-	43,589	99,986
Other operating revenues	7,171	12,740	19,911	-	12,740	19,911
Total operating revenues	4,486,209	2,364,484	6,850,693	444,185	2,808,669	7,294,878
Expenses						
Operating expenses:						
Programming and local production	1,614,802	1,009,079	2,623,881	150,307	1,159,386	2,774,188
Broadcasting	1,184,592	697,995	1,882,587	63,493	761,488	1,946,080
Program information	344,285	165,969	510,254	-	165,969	510,254
Fundraising	773,061	393,046	1,166,107	36,051	429,097	1,202,158
Management and general	413,661	334,249	747,910	64,095	398,344	812,005
Depreciation and amortization	672,955	111,753	784,708	7,440	119,193	792,148
Total operating expenses	5,003,356	2,712,091	7,715,447	321,386	3,033,477	8,036,833
Operating (Loss) Income	(517,147)	(347,607)	(864,754)	122,799	(224,808)	(741,955)
Nonoperating Revenues (Expenses)						
Investment income, net of expenses	257,783	85,570	343,353	23,046	108,616	366,399
Interest on capital assets related debt	(7,100)	(41,181)	(48,281)	-	(41,181)	(48,281)
Loss on disposal of capital assets	(442,556)	-	(442,556)	-	-	(442,556)
Other nonoperating revenues	285,228	63,260	348,488	-	63,260	348,488
Total Nonoperating Revenues (Expenses)	93,355	107,649	201,004	23,046	130,695	224,050
(Loss) Income Before Other	(423,792)	(239,958)	(663,750)	145,845	(94,113)	(517,905)
Other						
Capital grants/contracts	55,264	-	55,264	-	-	55,264
Additions to permanent endowments	90	190	280	4,645	4,835	4,925
Total Other	55,354	190	55,544	4,645	4,835	60,189
Before Transfers	(368,438)	(239,768)	(608,206)	150,490	(89,278)	(457,716)
Transfers (out) in	(34,238)	34,238	-	-	34,238	-
(Decrease) Increase in Net Position	(402,676)	(205,530)	(608,206)	150,490	(55,040)	(457,716)
Net Position						
Net Position - Beginning of year	16,733,055	3,619,986	20,353,041	(40,278)	3,579,708	20,312,763
Net Position - End of year	\$ 16,330,379	\$ 3,414,456	\$ 19,744,835	\$ 110,212	\$ 3,524,668	\$ 19,855,047